

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Workers' Compensation Costs, Fiscal Year 2005/2006	REFERENCE NUMBER: 2006-040
DATE ISSUED: 10/13/06	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transactions Supervisors
Return to Work/Claims Coordinators
Health and Safety Officers**

FROM: Department of Personnel Administration
Benefits Division

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The workers' compensation payment data for Fiscal Year 2005/2006 is now available on the Department of Personnel Administration's Web site. Go to "Benefits," then "Workers' Compensation," and scroll down to "Workers' Compensation Cost Information." This data shows State payments during Fiscal Year 2005/2006, by department, for all claims.

The State's Fiscal Year 2005/2006 workers' compensation costs total \$458 million, or 3.73% of payroll. This represents a decrease of \$35 million (7.2%) over last year's costs. During the same time period, payroll costs increased by \$488 million (4.1%). The most significant decrease was in Medical Expenses. Specific cost increases/decreases are shown in the chart below:

Temporary Disability Benefits:	\$0.9 million decrease	-2.1%
Permanent Disability Benefits:	\$5 million decrease	-4.5%
Vocational Rehabilitation Benefits:	\$4.1 million decrease	-28%
Medical Expenses:	\$16.3 million decrease	-8.8%
Service Fees:	\$4.6 million increase	8.2%
Industrial Disability Leave Benefits:	\$1.3 million decrease	-2.2%
Labor Code Section 4800,4800.5 Benefits:	\$2.1 million decrease	-19%
Premiums:	\$10.2 million decrease	-63%
Total Change	\$35.4 million decrease	-7.2%

PML 2006-040
10/13/06
Page 2

The number of open claims decreased to 40,697 in June of 2006, compared to 42,417 in June of 2005. This is a difference of 1,720 claims (4.1%). This figure includes all active claims, regardless of the original date of injury.

If you have any questions or require additional information, please contact Tracy Caldwell at (916) 445-9760.

/s/Greg Beatty

Greg Beatty
Acting Chief